

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKETS UE-170033 and
)	UG-170034 (Consolidated)
Complainant,)	
)	
v.)	
)	
PUGET SOUND ENERGY)	
)	
Respondent.)	
_____)	

EXHIBIT NO. BGM-4
NATURAL GAS SERVICES REVENUE REQUIREMENT

Gas Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Company Filing @ ICNU Cost of Capital			NWIGU Proposed			Impact of NWIGU Adjustments:				NWIGU Position	
			Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	Pre-Tax Net Oper. Income	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)		
1	1.00	Per Book Results (Y/E Sep. 30, 2016)	119,146	1,727,320	13,983	119,146	1,727,320	13,983						
<i>Restating Adjustments:</i>														
2	6.01	Revenue & Expenses	(32,674)	-	52,781	(32,674)	-	52,662	-	-	-	-	-	NWIGU Neutral
3	6.02	Temperature Normalization	16,070	-	(25,959)	16,070	-	(25,900)	-	-	-	-	-	NWIGU Neutral
4	6.03	Pass Through Revenue & Expense	736	-	(1,189)	736	-	(1,186)	-	-	-	-	-	NWIGU Neutral
5	6.04	Federal Income Tax	701	-	(1,132)	701	-	(1,130)	-	-	-	-	-	NWIGU Neutral
6	6.05	Tax Benefit Of Pro Forma Interest	18,426	-	(29,764)	18,256	-	(29,424)	-	(170)	-	273	-	NWIGU Updated
7	6.06	Depreciation Study	13,174	6,587	(20,458)	13,174	6,587	(20,448)	-	-	-	-	-	NWIGU Neutral
8	6.07	Injuries & Damages	(58)	-	93	(58)	-	93	-	-	-	-	-	NWIGU Neutral
9	6.08	Bad Debts	(159)	-	257	(159)	-	256	-	-	-	-	-	NWIGU Neutral
10	6.09	Incentive Pay	213	-	(344)	213	-	(343)	-	-	-	-	-	NWIGU Neutral
11	6.10	D&O Insurance	12	-	(19)	12	-	(19)	-	-	-	-	-	NWIGU Neutral
12	6.11	Interest On Customer Deposits	(31)	-	50	(31)	-	49	-	-	-	-	-	NWIGU Neutral
13	6.12	Rate Case Expenses	(281)	-	453	(281)	-	452	-	-	-	-	-	NWIGU Neutral
14	6.13	Deferred Gains/ Losses Prop Sales	(105)	-	170	(105)	-	169	-	-	-	-	-	NWIGU Neutral
15	6.14	Property & Liability Ins	45	-	(73)	45	-	(73)	-	-	-	-	-	NWIGU Neutral
16	6.15	Pension Plan	(572)	-	(725)	449	-	(723)	1,571	1,021	-	(1,645)	-	NWIGU Oppose
17	6.16	Wage Increase	(972)	-	1,570	(972)	-	1,567	-	-	-	-	-	NWIGU Neutral
18	6.17	Investment Plan	(51)	-	83	(51)	-	83	-	-	-	-	-	NWIGU Neutral
19	6.18	Employee Insurance	(59)	-	95	(59)	-	95	-	-	-	-	-	NWIGU Neutral
20	6.19	Environmental Remediation	(5,565)	-	4,604	(2,850)	-	4,594	4,176	2,715	-	(4,375)	-	NWIGU Oppose
21	6.20	Payment Processing Costs	(2,226)	-	3,595	(2,226)	-	3,587	-	-	-	-	-	NWIGU Neutral
22	6.21	South King Service Center	212	7,775	630	212	7,775	586	-	-	-	-	-	NWIGU Neutral
23	6.22	WUTC Filing Fee Excise Tax	34	-	(54)	34	-	(54)	-	-	-	-	-	NWIGU Neutral
24	IN-4	Plant Held For Future Use	-	-	-	-	(3,591)	(428)	-	-	(3,591)	(428)	-	NWIGU Proposed
25	IN-5	Greenwood Natural Gas Explosion	-	-	-	238	-	(384)	366	238	-	(384)	-	NWIGU Proposed
26		Restated Results	126,016	1,741,682	4,624	129,820	1,738,090	(1,936)	6,113	3,804	(3,591)	(6,559)		
<i>Pro Forma Adjustments</i>														
27	7.01	Cost Rcvry Mech	(4,004)	19,012	8,845	(4,004)	19,012	8,720	-	-	-	-	-	NWIGU Neutral
28	IN-2	Pro Forma Net Operating Loss Carryfwd	-	-	-	-	(12,623)	(1,505)	-	-	(12,623)	(1,505)	-	NWIGU Proposed
29		Pro Forma Results	122,012	1,760,694	13,344	125,816	1,744,479	5,279	6,113	3,804	(16,214)	(8,065)		

PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
ADJUSTED RESULTS DETAIL

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE
1	<u>OPERATING REVENUES:</u>				
2	\$ 857,492,456	\$ (54,759,248)	\$ 802,733,208	\$ 5,279,247	\$ 808,012,455
3	-	0	-	-	-
3	37,980,142	(24,929,000)	13,051,143	-	13,051,143
4	<u>\$ 895,472,599</u>	<u>\$ (79,688,247)</u>	<u>\$ 815,784,351</u>	<u>\$ 5,279,247</u>	<u>\$ 821,063,598</u>
5					
6					
7	OPERATING REVENUE DEDUCTIONS:				
8					
9	GAS COSTS:				
10					
11	\$ 326,393,369	\$ 30,828,022	\$ 357,221,391	\$ -	\$ 357,221,391
12					
13	<u>\$ 326,393,369</u>	<u>\$ 30,828,022</u>	<u>\$ 357,221,391</u>	<u>\$ -</u>	<u>\$ 357,221,391</u>
14					
15	\$ 2,420,905	\$ 32,568	\$ 2,453,474	\$ -	\$ 2,453,474
16	-	0	-	-	-
17	55,510,540	634,072	56,144,612	-	56,144,612
18	26,085,152	3,343,186	29,428,338	27,135	29,455,474
19	7,953,019	(5,668,709)	2,284,310	-	2,284,310
20	12,460,807	(12,460,807)	-	-	-
21	50,479,810	(470,644)	50,009,166	10,558	50,019,725
22	122,080,785	(20,280,517)	101,800,268	-	101,800,268
23	11,666,003	(8,253)	11,657,750	-	11,657,750
24	-	0	-	-	-
25	(230,973)	4,546,628	4,315,655	-	4,315,655
26	-	0	-	-	-
27	95,653,987	(61,297,863)	34,356,123	202,311	34,558,435
28	-	1,732,523	1,732,523	1,763,733	3,496,256
29	65,853,423	(27,288,647)	38,564,776	-	38,564,776
30	<u>\$ 776,326,830</u>	<u>\$ (117,186,464)</u>	<u>\$ 332,746,997</u>	<u>\$ 2,003,738</u>	<u>\$ 334,750,735</u>
31					
32	\$ 119,145,769	\$ 6,670,195	\$ 125,815,964	\$ 3,275,509	\$ 129,091,472
33					
34	\$ 1,727,319,760	\$ 17,159,601	\$ 1,744,479,361	\$ -	\$ 1,744,479,361
35					
36	6.90%		7.21%		7.40%
37					
38	RATE BASE:				
39	\$ 3,545,031,363	\$ 23,481,968	\$ 3,568,513,331	-	\$ 3,568,513,331
40	(1,363,034,789)	2,736,291	(1,360,298,498)	-	(1,360,298,498)
41	(502,155,618)	(9,058,658)	(511,214,276)	-	(511,214,276)
42	(30,161,803)	-	(30,161,803)	-	(30,161,803)
43	<u>\$ 1,649,679,153</u>	<u>\$ 17,159,601</u>	<u>\$ 1,666,838,754</u>	<u>\$ -</u>	<u>\$ 1,666,838,754</u>
44	77,640,607	-	77,640,607	-	77,640,607
46	<u>\$ 1,727,319,760</u>	<u>\$ 17,159,601</u>	<u>\$ 1,744,479,361</u>	<u>\$ -</u>	<u>\$ 1,744,479,361</u>

Rate Increase
0.7%
0.0%
0.6%

PUGET SOUND ENERGY-GAS
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
ADJUSTED RESULTS DETAIL

LINE NO.	INJURIES & DAMAGES 6.07	BAD DEBTS 6.08	INCENTIVE PAY 6.09	D&O INSURANCE 6.10	INTEREST ON CUSTOMER DEPOSITS 6.11	RATE CASE EXPENSES 6.12	DEFERRED GAINS/LOSSES PROP SALES 6.13	PROPERTY & LIABILITY INS 6.14	PENSION PLAN 6.15
1	<u>OPERATING REVENUES:</u>								
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	SALES TO CUSTOMERS								
3	MUNICIPAL ADDITIONS								
3	OTHER OPERATING REVENUES								
4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	TOTAL OPERATING REVENUES								
5									
6									
7	<u>OPERATING REVENUE DEDUCTIONS:</u>								
8									
9	GAS COSTS:								
10									
11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	PURCHASED GAS								
12									
13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	TOTAL PRODUCTION EXPENSES								
14									
15	\$ -	\$ -	\$ (7,715)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	OTHER POWER SUPPLY EXPENSES								
16	TRANSMISSION EXPENSE								
17	DISTRIBUTION EXPENSE								
18		244,361	(53,778)		30,709				
18	CUSTOMER ACCOUNT EXPENSES								
19	CUSTOMER SERVICE EXPENSES								
20	CONSERVATION AMORTIZATION								
21	88,827	-	(81,049)	(17,901)		431,719		(69,499)	(690,446)
21	ADMIN & GENERAL EXPENSE								
22	DEPRECIATION								
23	AMORTIZATION								
24	AMORTIZATION OF PROPERTY LOSS								
25	OTHER OPERATING EXPENSES								
26	ASC 815								
27			(19,047)				161,677		
27	TAXES OTHER THAN INCOME TAXES								
28	(31,089)	(85,526)	114,724	6,265		(151,102)	(56,587)	24,325	241,656
28	INCOME TAXES								
29	DEFERRED INCOME TAXES								
30	\$ 57,738	\$ 158,835	\$ (213,058)	\$ (11,636)	\$ 30,709	\$ 280,617	\$ 105,090	\$ (45,174)	\$ (448,790)
30	TOTAL OPERATING REV. DEDUCT.								
31									
32	\$ (57,738)	\$ (158,835)	\$ 213,058	\$ 11,636	\$ (30,709)	\$ (280,617)	\$ (105,090)	\$ 45,174	\$ 448,790
32	NET OPERATING INCOME								
33									
34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	RATE BASE								
35									
36	RATE OF RETURN								
37									
38	RATE BASE:								
39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	UTILITY PLANT IN SERVICE								
40	ACCUMULATED DEPRECIATION								
41	ACCUMULATED DEFERRED FIT								
42	OTHER								
43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	TOTAL NET INVESTMENT								
44	ALLOWANCE FOR WORKING CAPITAL								
46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	TOTAL RATE BASE								

PUGET SOUND ENERGY-GAS
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
ADJUSTED RESULTS DETAIL

LINE NO.	WAGE INCREASE 6.16	INVESTMENT PLAN 6.17	EMPLOYEE INSURANCE 6.18	ENVIRONMENTAL REMEDIATION 6.19	PAYMENT PROCESSING COSTS 6.20	SOUTH KING SERVICE CENTER 6.21	WUTC FILING FEE EXCISE TAX 6.22	PLANT HELD FOR FUTURE USE IN-4
1	<u>OPERATING REVENUES:</u>							
2	\$	-	\$	-	-	-	-	-
3								
3								
4	\$	-	\$	-	-	\$	-	\$
5								
6								
7	OPERATING REVENUE DEDUCTIONS:							
8								
9	GAS COSTS:							
10								
11	\$	-	\$	-	-	-	-	-
12								
13	\$	-	\$	-	-	\$	-	\$
14								
15	\$	40,283	\$	-	-	-	-	-
16								
17		793,916						
18		107,338			3,424,154			
19		31,275						
20								
21		446,330	79,135	90,433		(177,706)	(44,763)	
22						(148,522)		
23								
24								
25					4,384,952			
26								
27		76,499					(6,790)	-
28		(523,475)	(27,697)	(31,651)	(1,534,733)	(1,198,454)	18,044	-
29								
30	\$	972,167	\$	51,438	\$	58,781	\$	2,850,219
31								
32	\$	(972,167)	\$	(51,438)	\$	(58,781)	\$	(2,850,219)
33								
34	\$	-	\$	-	\$	-	\$	7,775,116
35								
36								
37								
38								
39	\$	-	\$	-	\$	-	\$	7,690,286
40								
41								
42								
43	\$	-	\$	-	\$	-	\$	7,775,116
44								
46	\$	-	\$	-	\$	-	\$	7,775,116

PUGET SOUND ENERGY-GAS
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
ADJUSTED RESULTS DETAIL

LINE NO.	GREENWOOD EXPLOSION IN-5	COST RCVRY MECH 7.01	NOL C/F IN-2	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>				
2		\$ (6,319,268)		\$ (54,759,248)	\$ 802,733,208
3	MUNICIPAL ADDITIONS				
3				-	-
3	OTHER OPERATING REVENUES				
4				(24,929,000)	13,051,143
4	\$ -	\$ (6,319,268)	\$ -	\$ (79,688,247)	\$ 815,784,351
5					
6					
7	OPERATING REVENUE DEDUCTIONS:				
8					
9	GAS COSTS:				
10					
11				\$ 30,828,022	\$ 357,221,391
12					
13	\$ -	\$ -	\$ -	\$ 30,828,022	\$ 357,221,391
14					
15	OTHER POWER SUPPLY EXPENSES				
16	TRANSMISSION EXPENSE				
17	DISTRIBUTION EXPENSE				
18	CUSTOMER ACCOUNT EXPENSES				
19	CUSTOMER SERVICE EXPENSES				
20	CONSERVATION AMORTIZATION				
21	(366,348)	(12,639)		(470,644)	50,009,166
22	DEPRECIATION				
23	AMORTIZATION				
24	AMORTIZATION OF PROPERTY LOSS				
25	OTHER OPERATING EXPENSES				
26	ASC 815				
27	-	(242,167)	-	(61,297,863)	34,356,123
28	128,222	(2,155,851)	-	1,732,523	1,732,523
29	DEFERRED INCOME TAXES				
30	\$ (238,126)	\$ (2,315,544)	\$ -	\$ (117,186,464)	\$ 332,746,997
31					
32	\$ 238,126	\$ (4,003,724)	\$ -	\$ 6,670,195	\$ 125,815,964
33					
34	\$ -	\$ 19,011,708	\$ (12,622,777)	\$ 17,159,601	\$ 1,744,479,361
35					
36	RATE OF RETURN				
37	7.21%				
38	RATE BASE:				
39		\$ 32,005,953	\$ (12,622,777)	\$ 23,481,968	\$ 3,568,513,331
40	ACCUMULATED DEPRECIATION				
41	ACCUMULATED DEFERRED FIT				
42	OTHER				
43	\$ -	\$ 19,011,708	\$ (12,622,777)	\$ 17,159,601	\$ 1,666,838,754
44	ALLOWANCE FOR WORKING CAPITAL				
46	\$ -	\$ 19,011,708	\$ (12,622,777)	\$ 17,159,601	\$ 1,744,479,361

**PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS
GENERAL RATE INCREASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE**

LINE NO.	DESCRIPTION	
1	RATE BASE	\$ 1,744,479,361
2	RATE OF RETURN	7.40%
3		
4	OPERATING INCOME REQUIREMENT	\$ 129,091,473
5		
6	PRO FORMA OPERATING INCOME	\$ 125,815,964
7	OPERATING INCOME DEFICIENCY	\$ 3,275,509
8		
9	CONVERSION FACTOR	0.620450
10	REVENUE REQUIREMENT DEFICIENCY	\$ 5,279,247

**PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS
PRO FORMA COST OF CAPITAL
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE**

LINE NO.	DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1	SHORT & LONG TERM DEBT	51.50%	5.81%	2.99%
2	EQUITY	48.50%	9.10%	4.41%
3	TOTAL COST OF CAPITAL	100.00%		7.40%
4				
5	AFTER TAX DEBT	51.50%	5.81%	1.94%
6	EQUITY	48.50%	9.10%	4.41%
7	TOTAL AFTER TAX COST OF CAPITAL	100.00%		6.35%

**PUGET SOUND ENERGY - GAS REVENUE REQUIREMENT CALCULATIONS
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE**

LINE NO.	DESCRIPTION	BASE	RATE	AMOUNT
1	BAD DEBTS			0.005140
2	ANNUAL FILING FEE			0.002000
3	STATE UTILITY TAX (3.852% - (LINE 1 * 3.852%))		3.852%	<u>0.038322</u>
4				
5	SUM OF TAXES OTHER			0.045462
6				
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 5)			0.954538
8	FEDERAL INCOME TAX (LINE 7 * 35%)		35%	<u>0.334088</u>
9				
10	CONVERSION FACTOR			<u><u>0.620450</u></u>

Adj. 6.05

PUGET SOUND ENERGY-GAS
TAX BENEFIT OF PRO FORMA INTEREST
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE

LINE NO. DESCRIPTION	AMOUNT
1 RATE BASE	\$ 1,744,479,361
2	
3 NET RATE BASE	\$ 1,744,479,361
4	
5 WEIGHTED AVERAGE COST OF DEBT	2.99%
6 PROFORMA INTEREST	\$ 52,159,933
7	
8 INCREASE (DECREASE) INCOME	\$ (52,159,933)
9	
10 INCREASE (DECREASE) FIT @	35% \$ (18,255,977)
11 INCREASE (DECREASE) NOI	\$ 18,255,977

**PUGET SOUND ENERGY-GAS
DEPRECIATION STUDY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	403 GAS DEPRECIATION EXPENSE	\$ 113,989,496	\$ 95,003,919	\$ (18,985,577)
2	403 GAS PORTION OF COMMON	7,429,557	6,464,523	(965,034)
3	403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	27,368	27,368	-
4	404 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	11,632,340	11,632,340	-
5	SUBTOTAL DEPRECIATION EXPENSE 403	<u>\$ 133,078,761</u>	<u>\$ 113,128,150</u>	<u>\$ (19,950,611)</u>
6				
7	403.1 DEPR. EXP- ASC 410 (RECOVERED IN RATES)	\$ 173,995	\$ 153,458	\$ (20,537)
8	403.1 DEPR. EXP - ASC 410 (NOT RECOVERED IN RATES)	51,681	-	(51,681)
9	SUBTOTAL DEPRECIATION EXPENSE 403.1	<u>\$ 225,676</u>	<u>\$ 153,458</u>	<u>\$ (72,217)</u>
10				
11	TOTAL DEPRECIATION EXPENSE	\$ 133,304,437	\$ 113,281,608	\$ (20,022,829)
12				
13	<u>AMORTIZATION EXPENSE</u>			
14	411.10 ACCRETION EXP. - ASC 410 (RECOVERED IN RATES)	28,810	25,410	(3,400)
15	411.10 ACCRETION EXP. - ASC 410 (NOT RECOVERED IN RATES)	4,853	-	(4,853)
16	SUBTOTAL ACCRETION EXPENSE 411.10	<u>\$ 33,663</u>	<u>\$ 25,410</u>	<u>\$ (8,253)</u>
17				
18	DEPRECIATION EXPENSE 403 ASSOCIATED WITH FLEET	\$ 408,688	\$ 171,927	\$ (236,761)
19				
20				
21	INCREASE (DECREASE) EXPENSE			\$ (20,267,842)
22	INCREASE (DECREASE) FIT			<u>7,093,745</u>
23	INCREASE (DECREASE) NOI			<u>\$ 13,174,098</u>
24				
25				
26	<u>ADJUSTMENT TO RATE BASE</u>			
27	ADJUSTMENT TO ACCUM. DEPREC. AT 50% DEPREC. EXPENSE LINE 21	50%		\$ 10,133,921
28	DEFERRED FIT			<u>(3,546,872)</u>
29				
30	TOTAL ADJUSTMENT TO RATEBASE			<u>\$ 6,587,049</u>

Adj. 6.15

**PUGET SOUND ENERGY-GAS
PENSION PLAN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 2,950,666	\$ 2,260,220	\$ (690,446)
2	INCREASE(DECREASE) EXPENSE	\$ 2,950,666	\$ 2,260,220	\$ (690,446)
3				
4	INCREASE(DECREASE) OPERATING EXPENSE (LINE 2)			\$ (690,446)
5	INCREASE (DECREASE) FIT @	35%		241,656
6	INCREASE (DECREASE) NOI			\$ 448,790

**PUGET SOUND ENERGY-GAS
ENVIRONMENTAL REMEDIATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016
GENERAL RATE CASE**

LINE NO.	DESCRIPTION	AMOUNT
1	<u>GAS ENVIRONMENTAL REMEDIATION</u>	
2		
3	DEFERRED COSTS NET OF SITE SPECIFIC RECOVERIES AS OF SEPTEMBER 30, 2016	\$ 72,192,483
4	ANNUAL AMORTIZATION (LINE 3 ÷ 5 YEARS)	\$ 14,438,497
5		
6	<u>INSURANCE PROCEEDS & THIRD PARTIES PAYMENTS</u>	
7		
8	SHARE OF DEFERRED UNASSIGNED RECOVERIES AS OF SEPTEMBER 30, 2016	\$ (50,267,725)
9	ANNUAL AMORTIZATION (LINE 8 ÷ 5 YEARS)	\$ (10,053,545)
10		
11	TOTAL RATE YEAR AMORTIZATION GAS ENVIRONMENTAL (LINE 4 + LINE 9)	<u>\$ 4,384,952</u>
12		
13	INCREASE (DECREASE) FIT @ 35% (LINE 11 X 35%)	35% <u>(1,534,733)</u>
14		
15	INCREASE (DECREASE) NOI	<u>\$ (2,850,219)</u>

Adj. IN-4

**PUGET SOUND ENERGY-GAS
PLANT HELD FOR FUTURE USE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016**

LINE	DESCRIPTION	TEST PERIOD	RESTATED	ADJUSTMENT
1	RATE BASE:			
2	FERC 105 - PLANT HELD FOR FUTURE USE	\$ 3,591,495	\$ -	\$ (3,591,495)

Adj. IN-2

PUGET SOUND ENERGY-GAS
NET OPERATING LOSS CARRYFORWARD
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

LINE					
NO.	DESCRIPTION	TEST PERIOD	RESTATED	ADJUSTMENT	
1	RATE BASE:				
2	190.433-NET OPERATING LOSS CARRYFORWARD	\$ 12,622,777	\$	-	\$ (12,622,777)

Adj. IN-2

PUGET SOUND ENERGY-GAS
GREENWOOD NATURAL GAS EXPLOSION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

LINE					
NO.	DESCRIPTION	TEST PERIOD	RESTATED	ADJUSTMENT	
1	PRE-TAX EXPENSE				
2	FERC 923, 880 - GREENWOOD NATURAL GAS EXPLOSI	\$ 366,348	\$ -	\$ (366,348)	